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VIA ELECTRONIC MAIL AND ECF

Hon. John K. Sherwood
U.S. Bankruptcy Court
Martin Luther King, Jr. Federal Bldg.
50 Walnut Street, 3rd Fl.
Newark, NJ 07102

**Re: *In re: New England Motor Freight, Inc., et al.*, Case No. 19-12809 (JKS)
Reservation of Rights to Debtors' Stalking-Horse Purchase Agreement**

Dear Judge Sherwood:

This firm, together with Elliott Greenleaf, P.C., is co-counsel to the Official Committee of Unsecured Creditors (the "Committee") in the above-referenced bankruptcy cases. The Committee does not object to the designation of the stalking horse bidder, nor the proposed bid protections.

On March 25, 2019, the above-captioned debtors and debtors in possession (the "Debtors") filed *Debtors' Motion for Orders (I)(A) Approving Bidding Procedures and Auction and (B) Scheduling Sale Hearing and Approving Notice Thereof; (II) Authorizing the Sale of Substantially All of the Debtors' Eastern Freight Ways, Inc. and Carrier Industries Inc.'s Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests; (III) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (IV) Granting Related Relief* (the "Eastern Sale Motion") (Docket No. 335).

On April 18, 2019, the Debtors filed their *Notice Of (I) Stalking Horse Designation; (II) Filing Of Stalking Horse APA With Bid Protections; And (III) Filing Of Amended Bidding Procedures* (the "Stalking Horse Notice") (Docket No. 477). The Stalking Horse Notice contained a copy of a stalking horse asset purchase agreement between certain of the Debtors and a stalking horse purchaser (the "Stalking Horse APA"). Due to the stalking horse purchase price of \$15 million, it has come to the Committee's attention that the Debtors are proposing to pay certain lenders the principal amount of their secured claim subject to agreement. However, it is not clear: (i) whether such lenders are fully secured on their collateral; and (ii) how the proceeds of the proposed sale will be allocated to the lenders and the Debtors' estates. Discussions between the parties remain ongoing and will hopefully be resolved by the proposed Sale Hearing.

The Honorable John K. Sherwood, USBJ

Nevertheless, by this letter, the Committee reserves its rights with respect to (i) the potential allocations of any sale proceeds to the lenders and between the Debtors' estates, prior to a resolution of the allocation issues and the Committee's review of each affected lender's alleged security interests in the collateral at issue; and (ii) the proposed form of sale order. In addition, the Committee reserves any and all other rights and remedies.

Respectfully submitted,

LOWENSTEIN SANDLER LLP

/s/ Joseph J. DiPasquale

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